

**ORDER 2018-159**

**IN RE SETTLEMENT AGREEMENT**

**THE MAJESTIC STAR CASINO, LLC and THE MAJESTIC STAR CASINO II,  
LLC  
18-MS-03**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

**APPROVED**

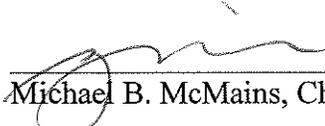
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APPROVES OR DISAPPROVES

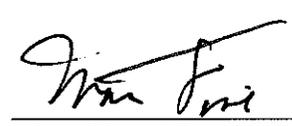
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 13<sup>th</sup> DAY OF SEPTEMBER, 2018.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Michael B. McMains, Chair

ATTEST:

  
\_\_\_\_\_  
Marc Fine, Vice Chair

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 )  
**THE MAJESTIC STAR CASINO, LLC and** ) **SETTLEMENT**  
**THE MAJESTIC STAR CASINO II, LLC** ) **18-MS-03**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and The Majestic Star Casino, LLC and The Majestic Star Casino II, Inc. (together referred to herein as “Majestic Star”) (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

**FINDINGS OF FACT**

**COUNT I**

1. 68 IAC 11-9-2(a) states the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
2. 68 IAC 11-9-2(b)(11) states the measures the casino licensee or trustee will take to ensure compliance with: (A) IC 4-33-4-27 or IC 4-35-4-16; and (B) this rule.
2. 68 IAC 11-9-2(b)(12) states any other information the commission or the executive director deems necessary to ensure compliance with: (A) IC 4-33-4-27 or IC 4-35-4-16; and (B) this rule.
3. Majestic Star’s approved internal control procedures, I-M-1, describe the procedures for the child support intercept program.
4. A Gaming Agent conducted an Audit of the Child Support Arrears Delinquency Reporting (“CSADR”) for May 2018 and discovered the following: four (4) patrons who won taxable jackpots had not been searched in CSADR. The jackpots were won on May 13, 2018, two (2) on May 23, 2018 and May 27, 2018.
5. A Gaming Agent conducted an Audit of the CSADR for July 2018 and discovered the following: two (2) patrons who won taxable jackpots had not been searched in CSADR. The jackpots were won on July 1, 2018 and July 11, 2018.

## COUNT II

6. 68 IAC 14-3-2(a) states all playing cards utilized by a riverboat licensee or a riverboat license applicant must comply with this rule.
  - (b) All playing cards must meet the following specifications:
    - (1) Unless otherwise provided in this article, all decks of cards must be one (1) complete standard deck of fifty-two (52) cards in four (4) suits. The four (4) suits shall be hearts, diamonds, clubs, and spades. Each suit shall consist of numerical cards from:
      - (A) two (2) to ten (10);
      - (B) a jack;
      - (C) a queen;
      - (D) a king; and
      - (E) an ace.
7. On May 19, 2018, a six deck shoe of green playing cards had been dealt with one (1) card missing. Surveillance coverage confirmed this information and showed an error message displayed on the shuffling machine on multiple occasions. The missing green playing card was discovered in a purple deck of playing cards when the purple deck was put into play.

## COUNT III

7. 68 IAC 15-6-4(a) states the casino licensee's security department shall maintain a vendor and visitor log on forms prescribed or approved by the commission.
  - (b) Vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.
  - (c) Vendors and visitors in the casino may not participate in a gambling game.
  - (d) Vendors and visitors in the casino must wear, in a conspicuous location, a badge issued by the security department.
  - (e) The vendor and visitor log shall contain the following information: (1) The name of the vendor or visitor. (2) The company or organization the vendor or visitor represents. (3) The date and time the vendor or visitor entered the casino. (4) The purpose that necessitates the vendor or visitor entering the casino. (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino. (6) If the person is a visitor, the individual who authorized the visitor's presence in the casino. (7) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
8. On May 18, 2018, a Security Officer notified Gaming Agents that an ATM armed vendor had been on property for approximately thirty (30) minutes without a Security escort and no vendor badge.

A review of surveillance coverage showed that the two (2) armed ATM vendors arrived at the property at 2:06 hours and entered through the 2<sup>nd</sup> level parking garage into the pavilion area where they serviced an ATM. The vendors proceeded to the turnstile at approximately 2:42 hours where they spoke to a Security Officer who allowed them entrance to the casino floor. The vendors entered the casino floor and are seen servicing the ATM in the baccarat room. The vendors passed a Security Officer in route to the Baccarat Room and are not stopped. Another Security Officer passed by them but did not question them. The vendors then proceeded to the ATM by Cage 1 and spoke with a Security Shift Supervisor. The Security Shift Supervisor left them to service the ATM. The Security Shift Supervisor returned to speak with the vendors and attempted to find an Security escort for them. The two vendors still have not been verified, identified or badged at this point. The two vendors proceeded to the ATM near the High Limit Room. At 3:36 hours, the vendors finally received a security escort. The vendors finished their work at 4:17 hours. It is only at this time that the vendors signed the vendor log.

The vendors made contact with and/or passed approximately five (5) Security Officers while on the casino floor. The vendors were not verified or identified for approximately two (2) hours. Gaming Agents were not made aware of persons being on the casino floor with a weapon until 4:00pm.

#### COUNT IV

9. 68 IAC 2-6-40(a) states that each progressive controller linking two (2) or more progressive electronic gaming devices must be housed in a double keyed compartment in a location approved by the executive director.
10. 68 IAC 2-6-40(b) states that the executive director designee must be in possession of one (1) of the keys.
11. 68 IAC 2-6-40(d) states a progressive controller entry authorization log must be maintained within each controller. The log shall be on a form prescribed by the commission and completed by an individual gaining entrance to the controller.
12. On June 11, 2018, a Slot Tech requested a Gaming Agent assist with breaking a seal on a progressive controller so an internal hard drive could be replaced. When the Gaming Agent requested to know if he needed to get the progressive controller key, the Slot Tech advised that they did not need the key, as the Slot Tech was able to access the progressive controller without the Gaming Agent key.

An Aristocrat Field Tech working on-site confirmed that this was a progressive controller for two (2) electronic gaming device (“EGD”) locations. The controllers were not being maintained in a base under the game like normal procedure; they were in fact sitting freely in the lower belly area of the EGD. Gaming Agents were advised that there were two (2) other linked progressive banks with similar circumstances. Gaming Agents required an IGC lock be placed on the controller immediately. The install dates for these controllers, per the progressive entry authorization logs, were October 11, 2016 and August 1, 2017. The install date of the third bank is unknown because there was not a

progressive entry authorization log with the controller, however, it was confirmed that the asset number was assigned in November 2017.

13. On July 28, 2018, a Gaming Agent was performing progressive EGD audits when it was discovered that four (4) progressive controllers did not have a progressive entry authorization log. The install dates for these controllers were April 19, 2005, August 25, 2014, February 17, 2015 and March 1, 2017.

### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Majestic Star by and through its Agents as described herein constitute a breach of IC 4-33, 68 IAC and/or Majestic Star's approved internal control procedures. The Commission and Majestic Star hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Majestic Star.

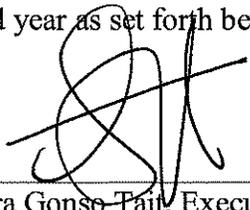
Majestic Star shall pay to the Commission a total of \$43,000 (\$31,500 for Count I, \$1,500 for Count II, \$1,500 for Count III and \$8,500 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Majestic Star agrees to promptly remit payment in the amount of \$43,000 and shall waive all rights to further administrative or judicial review.

This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement shall be binding upon the Commission and Majestic Star.

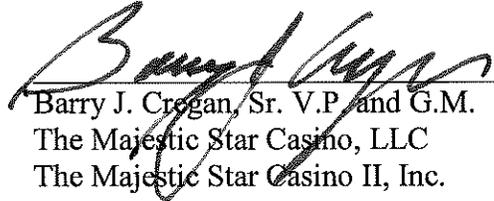
IN WITNESS WHEREOF, the Parties have signed this Settlement Agreement on the date and year as set forth below.



Sara Gonso-Tait, Executive Director  
Indiana Gaming Commission

9-13-18

Date



Barry J. Crogan, Sr. V.P. and G.M.  
The Majestic Star Casino, LLC  
The Majestic Star Casino II, Inc.

8/31/18

Date